

In the Supreme Court of the United States

OCTOBER TERM, 1923

NATIONAL PAPER AND TYPE COMPANY,

Plaintiff in Error,

v.

FRANK K. BOWERS, COLLECTOR OF INTER-
nal Revenue

} No. 877

**IN ERROR TO THE DISTRICT COURT OF THE UNITED
STATES FOR THE SOUTHERN DISTRICT OF NEW
YORK**

MOTION TO ADVANCE

The Solicitor General, at the request of the Commissioner of Internal Revenue, moves to advance the above-entitled cause for hearing at the earliest practicable date.

By Sections 217 and 233 of the Revenue Act of 1921 (42 Stat. 245, 254) income received by foreign corporations from the purchase of personal property within this country and its sale abroad is treated as derived entirely from sources without the United States and consequently exempt from taxation under the statute. The same sections accord a partial exemption to profits arising from the production by such corporations of personal property within the United States and its sale in other countries. The income of domestic corporations engaged in those businesses is not so exempt. The plaintiff in error

corporation, a domestic exporter of property purchased in this country, contends that this results in the taking of its property without due process of law.

The importance to exporters and the public generally of an early decision of this question is readily perceivable. Normally the exports of this country exceed four billion dollars a year. In one year, that ending June 30, 1920, the value of our exports amounted to over seven and one-half billions of dollars. A large part of that trade is carried on by foreign companies. Thus the Federal Trade Commission has reported that during the year 1921 foreign corporations exported over fifty per cent of the wheat shipped from this country. While this proportion may not hold true as to other commodities, such corporations undoubtedly do an enormous business in the exporting of American products, most of which they purchase, rather than manufacture.

I am also advised that there is incorporated in the revenue bill now pending before Congress a provision similar to that in dispute. A prompt decision of the question involved will therefore not only aid the Treasury Department in the settlement of claims arising under the present legislation, but may serve as a guide to Congress in the consideration of the bill now before it.

Opposing counsel concur in this motion.

JAMES M. BECK,
Solicitor General.

APRIL, 1924.

